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# Illinois Community Colleges

"Opportunity with Excellence"

## FUNDING PLAN

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*Discover The Magnificent Miles of Illinois*



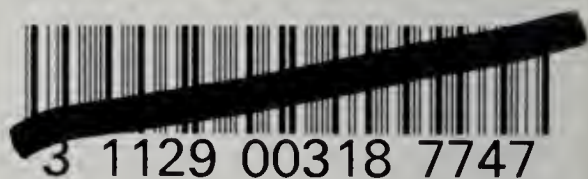
## BACKGROUND.....

The Illinois Public Community College Act was passed in 1965 as an outgrowth of the 1964 Master Plan published by the Illinois Board of Higher Education. This legislation, with its subsequent amendments, is the basis for the present system of 52 public community colleges which comprise 39 community college districts.

Community colleges, by design, are responsive to the needs of the unique communities they serve. They provide opportunities not only for the traditional college student but also for the displaced homemaker, the unemployed, the senior citizen, the handicapped, and the welfare recipient. Overall, they have helped provide Illinois with a well-trained workforce and have extended their mission by working with the private sector to train workers for new and expanding businesses and industries.

The demand for community college education continues to increase. Enrollments have grown more than 30 percent in the past five years. The public community colleges of Illinois have been part of our higher education system for only 19 years, yet they enroll over half of all students attending higher education institutions in Illinois.

Illinois public community colleges receive funding from three major sources: property taxes, student tuition and state appropriation. State appropriations are discussed in this pamphlet.



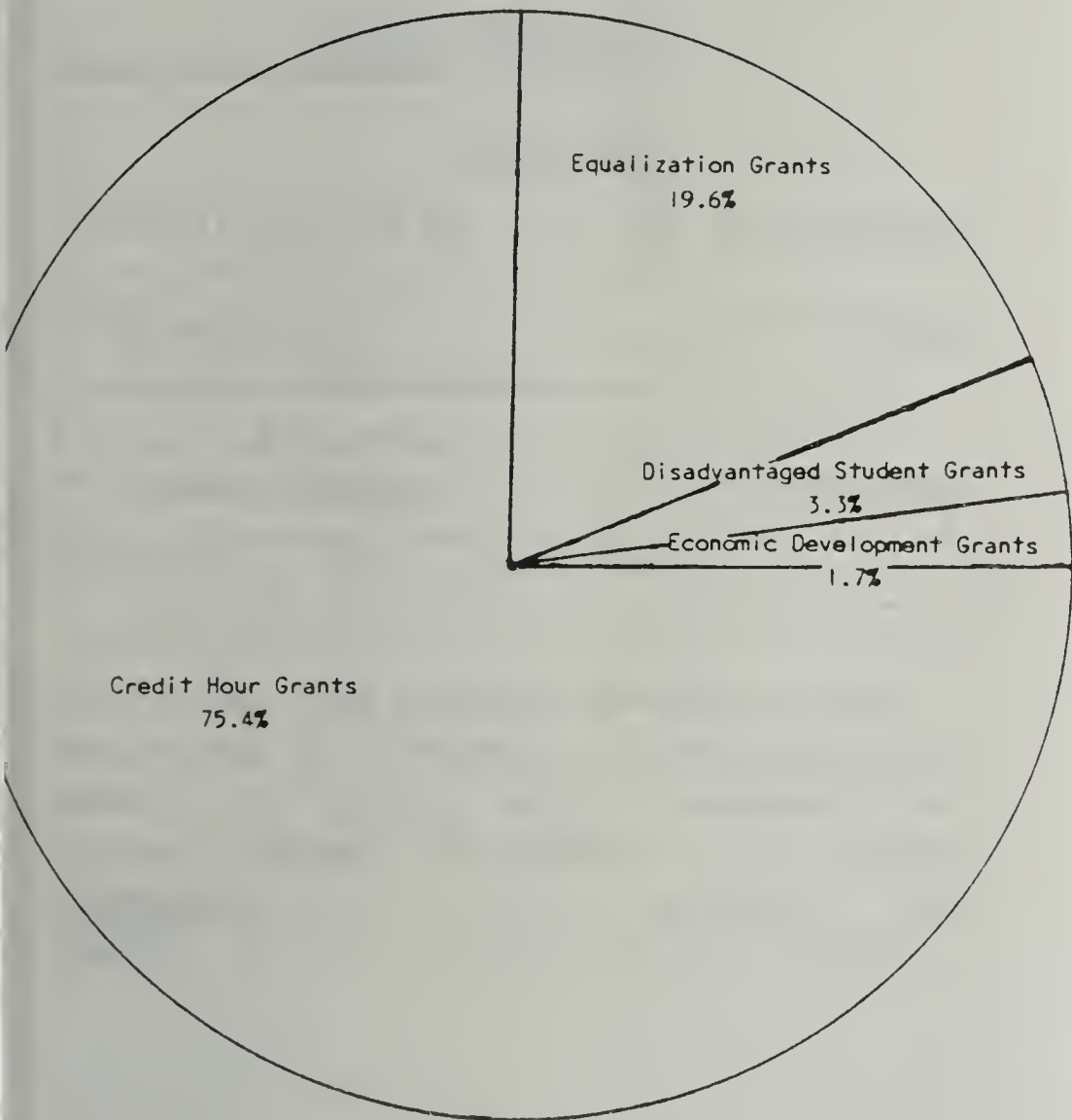
FUNDING PLAN SUMMARY.....

Conceptually, the community college appropriation is equal to an estimate of funds needed in the community college system less an estimate of funds available to the community college system. The data used for illustration purposes are those used in developing the Fiscal Year 1985 appropriation for community colleges.

ESTIMATE OF	
RESOURCES NEEDED	\$516,989,500
- ESTIMATE OF	
RESOURCES AVAILABLE	<u>-358,556,800</u>
APPROPRIATION	\$158,432,700

The appropriation is distributed through the following four grant programs:

- |                                 |               |
|---------------------------------|---------------|
| 1. Credit Hour Grants           | \$119,405,600 |
| 2. Equalization Grants          | \$ 31,027,100 |
| 3. Disadvantaged Student Grants | \$ 5,300,000  |
| 4. Economic Development Grants  | \$ 2,700,000  |



## RESOURCE REQUIREMENTS.....

The estimate of funds needed by the system is determined by adjusting the most recent (Fiscal Year 1983) actual expenditures for anticipated cost increases. The Fiscal Year 1984 weighted cost increase of 4.32 percent reflects the decision rules implicitly contained in the appropriation bill for the community college system approved by the General Assembly and the Governor. The Fiscal Year 1985 weighted cost increase of 3.9 percent includes a 4.75 percent salary increase and a zero cost increase for all other purchases except utilities, which are projected to increase 9.4 percent.

Average cost to produce a credit hour (FY 1983)	\$ 68.94
x <u>Two-year inflation factor</u>	x <u>1.0839</u>
Estimate of cost to produce a credit hour in FY 1985	\$ 74.72
x <u>FY 1983 credit hours</u>	x <u>6,517,224</u>
Estimate of total instructional costs in FY 1985	\$486,967,000

We also add in an estimate of:

Public service costs in FY 1985	+ \$ 24,173,800
New funds requested for FY 1985	+ <u>5,848,700</u>

ESTIMATE OF RESOURCES NEEDED \$516,989,500

## AVAILABLE RESOURCES.....

The estimate of funds available to the community college system centers on four sources of revenue: local property tax receipts, student tuition and fees, other state grants, and federal and other miscellaneous revenues.

### Local Tax Receipts

Local property tax extensions are determined by multiplying the statewide total community college projected equalized assessed valuation by the average tax rate. This amount, less adjustments for collection losses, non-district chargebacks, and equalization, yields estimated local tax receipts.

Projected equalized assessed valuation	\$87,386,559,300
x Statewide average tax rate	x .00208
Local tax extensions	\$ 181,764,000
+ Adjustments (collection losses and chargebacks)	+ 899,300
- Equalization grants	- 31,027,100
Local tax receipts	\$ 151,636,200

### Student Tuition and Fees

Statutorily, community colleges cannot charge tuition that exceeds one-third of their per capita cost. Actual tuition and fee rates range from \$12.00 per semester credit hour to \$29.50 per semester credit hour. Tuition revenue is calculated by multiplying the most recent non-ABE/ASE

enrollments by a tuition standard. The tuition standard included in this budget request is \$23.50 which represents an approximate 6.5 percent increase from the Fiscal Year 1984 weighted average tuition.

FY 1983 credit hours (except ABE/ASE)	5,330,595
x Tuition and fee rate standard per semester credit hour	x 23.50
Student tuition and fees	\$125,269,000

#### Other State Grants

Community colleges receive additional revenue from a number of other sources. For example, the State Board of Education distributes grants for adult education and vocational education in support of specific instructional programs. It is projected that community colleges will receive \$6.7 million in grants for adult education and \$15.8 million in grants for vocational education programs in Fiscal Year 1985. In addition, the corporate personal property tax revenues eliminated in 1979 as part of local property taxes have been replaced by revenues from new taxes on corporations, partnerships, and utilities. The revenues generated from these taxes are distributed to community college districts based on personal property tax collections for 1978. Corporate personal property replacement taxes available for operations in Fiscal Year 1985 are estimated to be \$13.2 million.

Corporate replacement taxes	\$13,200,000
+ Vocational education grants	15,800,000
+ Adult education grants	<u>6,700,000</u>

Other state grants	\$35,700,000
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#### Federal and Other Miscellaneous Grants

In addition, community college districts receive funds from a variety of other federal, state, and local sources. Given the difficulty of making accurate projections of this revenue, the community college funding plan provides that miscellaneous revenue is projected based on the percentage it represented of all revenue for the most recent historical year. Eleven percent of the Fiscal Year 1985 resource requirements, excluding special grants, is projected to be miscellaneous revenue. For Fiscal Year 1985, this amount is \$45,951,600.

Local tax receipts	\$151,636,200
Student tuition and fees	+125,269,000
Other state grants	+ 35,700,000
Federal and other miscellaneous	<u>+ 45,951,600</u>

#### ESTIMATE OF AVAILABLE

RESOURCES	\$358,556,800
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In summary, the estimated funds needed by the community college system of \$516,989,500 less estimated funds available to the system of \$358,556,800 yields the Fiscal Year 1985 appropriation of \$158,432,700.

Credit Hour Grants.....

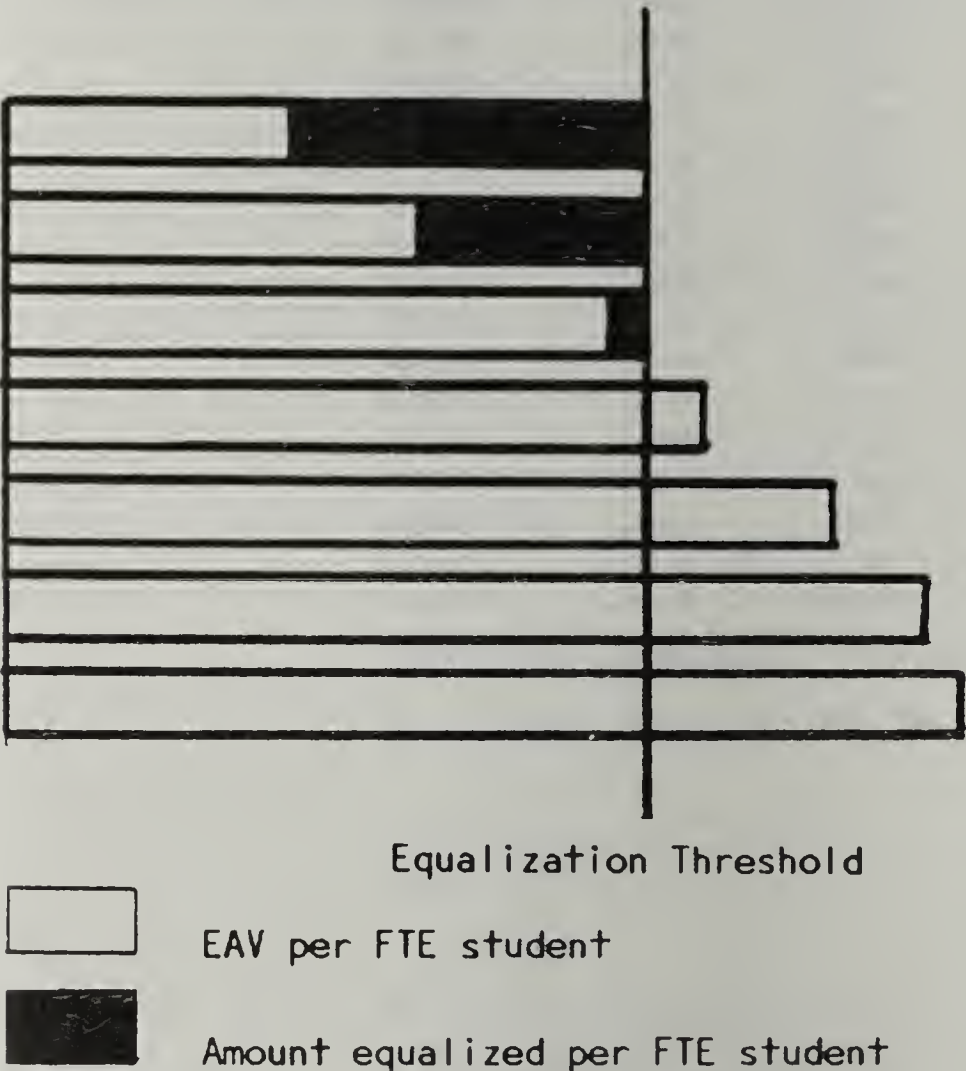
Credit hour grants are paid for each of the system's seven instructional categories. The credit hour rate for each instructional category is determined by calculating the unit cost of that category and subtracting the system's other available resources on a uniform basis from the projected unit cost in each instructional category. Accordingly, an instructional category which has a high unit cost will be funded at a higher level than a category which has a lower unit cost.

Sample FY 1985  
Credit Hour Rate Calculations

	<u>Bacc.</u>	<u>Health Occ.</u>	<u>Average</u>
FY 1985			
Projected			
Unit Cost	79.76	115.90	74.72
Less			
Tuition			
& Fees	23.50	23.50	19.22
Less			
Standard			
Local Tax			
Contribution	30.00	30.00	29.28
Less SBE			
Grants	-0-	7.56	3.45
Less			
Other			
Revenues	4.84	4.84	4.84
Plus Program			
Improvement	.25	.75	.39
Credit Hour			
Grant Rate	21.67	50.75	18.32

Equalization Grants.....

Equalization grants attempt to reduce the disparity in local funds available per student among districts. A state average of equalized assessed valuations (EAV) per full-time equivalent (FTE) students multiplied by a weighted average local tax rate determines a threshold of expected local tax revenues per student. Any community college district which is below this threshold when applying a standard tax rate to its EAV/FTE student receives additional state funding. Local property tax revenues, corporate personal property replacement tax revenues, and each district's instructional program mix are considered in the equalization calculations.



## Special Grants.....

### Disadvantaged Student and Economic Development

Special grants to support services for disadvantaged students and economic development also are included in the community college appropriation. These grants must be held in a restricted account by the college and used only for their specified purposes.

Disadvantaged student grants are provided to support special services for educationally disadvantaged students. Currently, a basic grant of \$20,000 per college with remaining funds based on remedial and ABE/ASE credit hour enrollments is distributed to each district.

Illinois public community colleges are taking a very active role in the economic development activities of their communities. They are working with community leaders and associations to attract and retain new business and industry. Community colleges are cooperating with business and industry to provide training for new job skills and to offer tailor-made job training programs. They also are providing such related services as assessment of business/industry training needs, career counseling for the unemployed, and symposia for labor leaders and business/industry managers. The economic development grant which supports these vital services is distributed partially as a grant of \$30,000 per district. Remaining funds are distributed according to occupational credit hour enrollments.

From time to time, other special grants have been and will be appropriated for community colleges.

## DISTRIBUTION BY DISTRICT.....

UNIVERSITY OF ILLINOIS-URBANA



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Illinois Community College Board

## DISTRIBUTION OF FISCAL YEAR 1985 APPROPRIATED GRANTS

Dist. No.	District Name	Credit Hour Grants	Equali- zation Grants	Disad. Student Grants	Economic Development Grants	FY 1985 Total Grants
501	Kaskaskia	\$ 1422549	\$ 79017	\$ 24708	\$ 49514	\$ 1575788
502	DuPage	7082449	0	85838	119887	7288174
503	Black Hawk	2995235	486978	123407	84312	3689932
504	Triton	7393894	526026	98404	128405	8146729
505	Parkland	2981154	0	41892	65620	3088666
506	Sauk Valley	1375540	0	29333	51095	1455968
507	Danville	1304578	400010	37552	50119	1792259
508	Chicago	26889374	22698023	3348802	365557	53301756
509	Elgin	2066694	0	53353	58031	2178078
510	Thornton	3099811	1088779	113388	69118	4371096
511	Rock Valley	2638639	0	38365	69972	2746976
512	Harper	5777930	0	81321	94591	5953842
513	Illinois Valley	1968885	0	31213	49250	2049348
514	Illinois Central	4599237	0	56340	85775	4741352
515	Prairie State	2203702	0	28238	58832	2290772
516	Waubensee	1795444	0	50594	53089	1899127
517	Lake Land	1810866	0	30422	52712	1894000
518	Carl Sandburg	1207650	0	33552	47338	1288540
519	Highland	1209442	260342	36514	45263	1551561
520	Kankakee	1429337	332833	78245	50536	1890951
521	Rend Lake	1170979	300631	30016	48228	1549854
522	Belleville	3989365	718140	53575	90514	4851594
523	Kishwaukee	1258373	336141	47553	49634	1691701
524	Moraine Valley	4373561	0	63169	81247	4517977
525	Joliet	3957677	0	89410	93173	4140260
526	Lincoln Land	2327616	0	27873	51662	2407151
527	Morton	1224673	0	28483	47189	1300345
528	McHenry	1195196	0	25305	46663	1267164
529	Illinois Eastern	3140736	2108266	124530	68920	5442452
530	Logan	1339553	557305	29838	47111	1973807
531	Shawnee	739130	396618	29505	41634	1206887
532	Lake County	3567574	0	59807	78181	3705562
533	Southeastern	1195492	410442	27146	49162	1682242
534	Spoon River	872554	0	29451	41979	943984
535	Oakton	3652018	0	89343	68862	3810223
536	Lewis & Clark	1827577	0	56435	56335	1940347
537	Richland	1020820	0	39578	41215	1101613
539	John Wood	1290605	327502	27502	49276	1694885
District Totals		\$119,395,909	\$31,027,053	\$5,300,000	\$2,700,001	\$158,422,963
Adjustment for Disallowed Credit Hours		+ 9,633				+ 9,633
Adjustment for Rounding		+ 58	+ 47	0	- 1	+ 104
TOTAL		\$119,405,600	\$31,027,100	\$5,300,000	\$2,700,000	\$158,432,700

7/23/84